

**KEYSPAN ENERGY DELIVERY NEW ENGLAND**

**SUPPLEMENTAL PREFILED TESTIMONY OF THEODORE E. POE, JR.  
EXHIBIT TEP-3**

**D.T.E. 05-35**

1   **Q.     Please state your name and business address?**

2   A.     My name is Theodore E. Poe, Jr. My business address is 52 Second Avenue,  
3           Waltham, MA 02451

4   **Q.     What is the purpose of your supplemental testimony in this proceeding?**

5   A.     The purpose of my supplemental testimony is to present an amendment to the  
6           Precedent Agreement between Boston Gas Company d/b/a KeySpan Energy  
7           Delivery New England (“KeySpan”) and Tennessee Gas Pipeline Company filed on  
8           April 29, 2005 and marked as exhibit KEDNE-1.

9   **Q.     Would you please describe the amendment?**

10  A.     As discussed in the pre-filed testimony of Ms. Culliford (exhibit NGC-1), pursuant  
11          to an open season initiated by Tennessee, KeySpan was awarded 100,000  
12          MMBtu/day of capacity on the Tennessee Northeast ConneXion Project -New  
13          England (the “Project”). An additional 36,300 MMBtu/day was split among four  
14          other New England LDC’s. Subsequently, Tennessee notified KeySpan that due to  
15          the exercise of certain contractual rights, some of the Project shippers returned a  
16          total of 14,000 MMBtu of Project capacity to Tennessee. Tennessee, therefore,  
17          offered KeySpan a pro rata share of the returned capacity which amounted to 12,700  
18          MMBtu/day. KeySpan elected to accept the offer, raising its available MDQ on the  
19          Project to 112,700 MMBtu/day. On June 16, 2005, Tennessee and KeySpan entered

1 into an Amendment to Precedent Agreement confirming KeySpan's election. A  
2 copy of the amendment is attached as schedule TEP -4.

3 **Q. Based on the forecasted sendout and resource requirements reflected in TEP-2,**  
4 **how did the Company determine that there is a need for this additional pipeline**  
5 **capacity in the KeySpan resource portfolio?**  
6

7 A. As discussed in greater detail in my initial testimony, TEP-2, page 3 of 3 is a  
8 design-day resource analysis to evaluate the Company's city gate delivery  
9 capabilities on the peak day over the forecast period. Available resources are  
10 compared to the forecasted sendout requirements on the design day, making the  
11 following assumptions: (1) that all resources within the integrated portfolio are  
12 used interchangeably to meet KeySpan customer requirements subject to  
13 operational and contractual constraints; (2) that any portfolio resources with  
14 contract terms expiring during the forecast period will be renewed and (3) that  
15 peak season resources will be supplemented with winter liquid refills. Based on  
16 these assumptions, the analysis demonstrates a need for incremental peak-day  
17 delivery capability totaling 9,000 MMBtu/day on the peak day beginning in  
18 2005/06, increasing to 121,000 MMBtu/day by 2008/09. This capacity need is  
19 indicated in Schedule TEP-2 as "Other Purchased Resources." This need is  
20 greater than the 112,700 MMBtu/day available from the Project.

1           In addition for all of the reasons discussed by Ms. Culliford, the additional Project  
2           volumes are the best available option to meet the Company's incremental  
3           resource requirement. (See Exh. NGC-1 at 10-17)

4

5   **Q.     Does this conclude your prefiled supplemental testimony in this proceeding?**

6   **A.     Yes**

